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A well conducted college capital campaign produces more money faster and at less cost than any other method, is one of the best public relations moves an institution can make, indicates an institution's weaknesses, identifies an institution's friends, and is one of the necessary ingredients for a successful longrange development program. Success of the capital campaign depends on involving the administration and board of trustees in planning and support, on carefully conducting a survey of potential donors to determine their attitudes toward the institution and their probable financial response to the campaign, and on preparing a thoroughly documented statement of needs and purposes for which funds are to be raised. A theme around which campaign promotional activities can be developed is essential, as people prefer to give to opportunities rather than needs. Continued financial success depends on adequate followup of pledges, and, most importantly, on thanking the donors with conviction. (TT)

CAPITAL CAMPAIGN PROGRAMS

by

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at

The Council for the Advancement of Small Colleges
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The Role of the Capital Campaign - The capital campaign for a college or university has been ~~well~~ described by veteran consultant Robert Duncan in these words: "A well conducted capital campaign produces more money faster and at less cost than any other method; it is one of the best public relations moves an institution can make; for the benefit of the governing board, it casts a penetrating x-ray on an institution's weaknesses; it shows who are its friends and who are not; and, though disturbing to the administration, often provides a healthy jolt to its somnolent departments."

In other words, a capital campaign becomes a moment of truth!

At the outset, let's agree that the capital campaign is not the only useful method of raising institutional funds. It is, or should be, merely one phase of a long range development program which also involves annual fund-raising and deferred gifts programs. These subjects, I understand, will be discussed at other times in your workshop. Suffice it to say that these three basic methods--capital, annual and deferred gifts programs--are all useful in raising funds on a continuing basis which, of course, is the task of every gift-supported institution.

The capital program takes advantage of the fact that people are accustomed to working toward immediate objectives and that most of us react best under some

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pressure with not too distant time limits. Veteran campaigners know that if you don't have a crisis at hand, you'd better create one every once in a while to get action. Experience shows that you can enlist busy men for short haul assignments who would never volunteer for continuing responsibilities. Let us agree, therefore, that the capital campaign is one of the necessary ingredients of a successful long-range development program and that undoubtedly it is the most dramatic and potentially the most productive of these ingredients.

Getting Ready for a Capital Campaign - There is no such thing as a successful casual campaign. Capital campaigns require planning in detail and skillful execution. The campaign starts when the administration agrees on basic plans and priorities and begins to involve the trustees in a discussion of the institution's needs and opportunities. There can be no question of launching a campaign until the administration and trustees have been thoroughly involved in planning and until they are ready to endorse the program with enthusiasm.

At the point when the board and administration have agreed upon the direction of the college and upon the financial resources which will be required, a survey-study often proves advantageous. Such studies involve an initial presentation of the case to a cross-section of the top five or ten percent of prospective donors to determine their attitude toward the institution and its program and their probable financial response to the campaign. Personal interviews are conducted, normally by outsiders who promise anonymity to the interviewee and who can judge the findings objectively. Such surveys are not small Gallup polls and they do not

seek the opinions of the average American. They are aimed at your top potential donors. Sometimes several hundred interviews in cities across the nation are required to judge the potential for a large university, whereas a hundred or even fewer interviews may provide valid indications for a smaller institution. The survey findings are then analyzed objectively and specific recommendations are made regarding probable response to the campaign, the optimum goal and timing, the possibilities of enlisting top-flight leadership, and the necessity for strengthening the institution in its public relations position. From this study evolves the strategic planning for your campaign.

The next move is to prepare your potential volunteers and prospective donors for the program you plan to present to them. This can be done through personal meetings, through on-campus events to which key alumni and friends of the college are invited and, less significantly, through the various information media. The most important trend in fund-raising in recent years has been the increase in the time utilized to prepare prospects adequately for solicitation. The competition for the contributable dollar, the thousands of appeals for an individual's time, emotions and money from all quarters these days necessitates a thoughtful presentation of your case over a considerable period of time before action is requested.

Another important pre-campaign activity is the preparation of a basic statement of your case for funds. This case, which becomes the source of all campaign promotional materials, should be a thoroughly-documented statement of the needs and purposes for which funds are to be raised. It should include factual

evidence that money contributed in the past has been well spent, that present facilities are being properly utilized, and that your institution merits further support. This case statement should be endorsed by the administration and the trustees to assure that they are in agreement on the objectives of the campaign.

Once a factual case has been developed and approved, a competent writer should then be assigned to develop a theme around which your campaign promotional activities can be developed. You should remember that emotion precedes reason for the vast majority of people, and that most of us respond first with our hearts and then with our minds. Plans usually are most successful when they are based on central concepts. McKendree College, one of your member institutions, asked "How do we perpetuate this great heritage of Christian education? By action!" as it launched the second phase of its "Program of Action." Messiah College, another CASC member, built its campus center around the theme: "Center for Changeless Ideals Within a Changing World." This new center, incidentally, will honor Jacob F. Eisenhower, grandfather of former president Eisenhower--a fact which in itself adds strength and meaning and emotional content to the program.

Remember also that psychologists tell us that people prefer to give to opportunities rather than to needs. Fund-raisers have found it easier to raise funds for effective institutions with great promise for the future than simply for needy institutions whose only appeal is that they will cease to exist if they are not adequately supported.

Primary Factors for Success - As the campaign approaches and as strategic plans are completed, certain factors for success should be given most serious consideration. These factors have been demonstrated as axioms of fund-raising over many years. They are facts. To ignore them is to court disaster.

One of these factors for success, the most important one, is leadership. This starts with the president. The president's role is important in any campaigning institution; recognizing this, President Goheen of Princeton, for example, estimated that he devoted a third of his time over a three-year period to Princeton's most recent capital fund-raising program. The burden of the campaign falls to an even greater extent on the shoulders of the president of a smaller institution. The president personifies the institution to most prospective donors and for that reason is required to give both philosophic and personal leadership to the program.

The trustees also play a vital role as the nucleus around which the fund-raising organization is constructed. A CFAE study of 92 unsuccessful college campaigns showed the number one reason for their lack of success was a lack of leadership "centered in the institution's governing board." Top-flight boards dedicated to campaign success, on the other hand, have been a prime ingredient for success in capital campaigns conducted by universities and colleges throughout the country. We have found that in successful campaigns for church-related colleges, trustees usually provide about 25% of the funds raised although the latest statistics I've seen indicate that CASC college trustees give considerably less than that. The importance of trustee leadership and trustee giving power should be kept in mind when board vacancies occur at your institution.

The Campaign General Chairman is still another prime factor for success. As far as campaign leadership is concerned, the best is barely good enough. The most influential man within your constituency should be enlisted as the General Chairman. He should be a man of influence and affluence, willing to utilize both for your institution. Through him you then move toward other first-team leadership in your constituency.

In addition to leadership, another vital factor for success is adherence to adequate standards of giving. After all of the successful capital campaigns for educational institutions in this country, no one should doubt the importance of this factor. We know, for example, that in most successful campaigns for colleges and universities, 50 to 60% of the funds come from the top ten donors, with another 30 to 35% of the funds coming from the next 100 donors. Thus, at least 80 to 90% of the money raised in your campaign is going to have to be contributed by not more than 100 to 125 donors. That's the picture nationally and except for counting a congregation as one donor, which sometimes is the most logical way to analyze support for a church-related college conducting a campaign among its supporting congregations, this concentration of giving is just as true for CASC colleges as for others. Your campaign strategy and timetable should be based on that vital fact. Prospects for gifts of the size required should be related to a table of giving, and cultivated and solicited accordingly.

Keep these standards in mind, too, when you establish your campaign objective. A blue sky goal may provide a stimulating boost to one's ego at the start of a campaign,

but failure to attain gifts at the levels necessary for success is certain to lead to sackcloth and ashes at the end. The establishment of a feasible goal--challenging yet attainable--is a vital factor for success in a capital campaign. An error of judgment in that early decision can make the ultimate success of your program impossible.

Your plan of organization and your campaign timetable also are important factors for success. They should be based upon experience and sound judgment, in the knowledge that most of your money will come from a relatively small portion of donors, and that people require adequate time for mental digestion before making important decisions. The preparation of your organization plan and timetable is one which requires the maximum experience you can obtain.

The determining factor in making your program work is manpower. After a half century of fund-raising experience, a lot of things about raising capital funds are known. You will want to find men who do know them. Your best investment in campaign success, just as in your on-going development program, is trained manpower. College and University Journal reported in its spring 1968 issue the results of a statistical study of the development programs of 105 institutions. The development budget median for those schools was 5% of total educational expenditures, with private colleges higher than that. For the whole sample, the average institution spent 17 cents to raise \$1. Another interesting fact revealed by the computer analysis was that the institutions which spend most on their development programs receive the largest amounts of gifts. The study seems to lend credence to the oft-stated principle that you must

spend money to raise money. You may have to convince your board to spend money to mount a capital campaign, but you ought to get back \$10 or \$15 or \$20 for every dollar you spend. There are very few examples where being penny-wise is more pound-foolish.

Still another factor for success is campaign discipline. Once your strategy and campaign plan have been adopted, they should be followed. They should incorporate quotas, standards, and deadlines, and these should be adhered to by the administration, the board and the campaign organization. Proper discipline is a very important factor in campaign success.

The Solicitation of Pledges - When your campaign is launched, it should move from its greatest strength--the administration, board and campaign leadership--out towards the periphery of your constituency. Volunteers must be enlisted, organized, trained, and inspired to work for the great cause at hand. Enlistment, organization and training should proceed in an orderly fashion, on schedule; there are very few examples of successful crash campaigns.

Prospects should be evaluated as to the range of gifts which may be reasonably expected from them. They should then be informed about your program as many times as possible through personal meetings and the printed word before they are asked to make decisions.

Your major prospects should be solicited first, and the broad phase of the campaign among the general alumni body should not proceed until most of the major solicitations have been completed.

Church-related institutions, of course, normally conduct the solicitation of the members of their constituent congregations as a separate phase of a capital campaign. The techniques involved here are quite different from those utilized with other prospects, one of the most important being to convince and involve the ministers at the outset, before any approach is made to their congregations. A discussion of methods found most successful in the solicitation of church constituencies would provide plenty of material for another presentation. There is one similarity with raising funds from other types of prospects which fits into this discussion, however, and that is the concentration of giving power. Just as it has been demonstrated that the top 100 to 125 gifts provide about 85% of the funds raised in most capital campaigns for colleges, it is also true that a relatively small proportion of churches can and do provide a high proportion of the total contributed by all of the churches. We have found, for example, that in the average capital gifts campaign in a Presbytery, the top ten churches usually provide half of the total funds raised. This fact indicates the importance of allocating sufficient time and attention to the ministers and lay leaders of the congregations capable of supporting your campaign with major funds.

Corporations and foundations--about which more will be said elsewhere in this workshop--should be approached with specific proposals geared to an analysis of their special interests and to the relevancy of the college to them.

The broad solicitation of alumni and friends should proceed on the basis of detailed knowledge of their degree of interest in the institution, of their specific relationship with it, of the positions they hold in their local communities, and of all possible knowledge of their personal interests. Even after these factors are known, careful evaluations should take place in the local communities where the campaign is to be conducted. It has been found almost impossible to evaluate campaign prospects with sufficient accuracy from the campus. This can be done with the assistance of a few selected alumni leaders in local communities.

Throughout the entire solicitation, of course, the volunteer organization should be kept informed of progress and especially of outstanding gifts. Deadlines should be met and a spirit of enthusiasm and urgency should be encouraged.

The Follow Up - At the outset, your campaign should incorporate an efficient and accurate system for recording gifts and memorials. This system can be utilized following the campaign for the purpose of pledge collections. The collection of pledges depends both on an accurate system of reminders and upon general information as to how funds are being spent and the institution's progress.

In addition, it is vitally important to thank your donors. This elementary fact, involving common courtesy, is one of the most overlooked factors in fundraising. We often forget the marvelous opportunity this gives us for further involvement with the donors. A few institutions, Carnegie-Mellon University for example, say "thank you" with a flourish. Acknowledgements are sent by the president, the

deans, and the appropriate department heads, right on down to graduate students who use equipment provided by major donors. Such involvement of donors after they have made their gifts frequently arouses the desire to give again.

Some Variations - In any general discussion of this nature, it is impossible to devise a standard campaign plan which will fit your own institution. There are numerous differences between types of educational institutions, of course, and they have their effect on fund-raising strategy.

A big-city university, for example, normally has considerable impact on its community and is considered an essential civic function. Its trustees frequently are top corporate officials with considerable entree to sources of wealth. On the other hand, the big-city university must present its case in competition with a multiplicity of others. Some such schools must also face the fact that their alumni are less loyal than those of smaller institutions.

The smaller colleges often are located in communities of modest size with fewer hometown sources of wealth. Their boards often include fewer major industrialists and wealthy individuals. On the other hand, a small college has its distinctive characteristics and often enjoys an almost mystical relationship with its alumni and friends.

Women's colleges face the problem that their alumnae usually are harder to enlist in a campaign organization than men, and that their budget consciousness makes it more difficult to establish adequate standards of giving. Denominational schools often find it difficult to appeal to foundations and corporations, although

their relationship with the church opens numerous sources of giving to them.

Suffice it to say that campaign strategy must be worked out with regard to your constituency and that there is no such thing as a successful standard plan of campaign applicable to all colleges.

Staffing of Your Campaign - Almost universally today, successful capital campaigns are managed by development departments in cooperation with counselling firms. The development department offers continuity in the fund-raising effort which never stops but which increases in tempo during the capital campaign. The inside development officer brings to the program his own skills plus an intimate knowledge of the internal situation and of the local community. The outsider provides his firm's experience in serving hundreds of institutions which have faced similar problems. He also brings with him a sense of urgency, of the need to get things done by next Thursday and to show tangible results as quickly as possible. When you move out for funds in today's highly competitive philanthropic environment, you had better go with the best.

Expected Results - The results of a thoroughly planned and skillfully managed capital campaign usually agree with Bob Duncan's comment which I quoted at the beginning of my talk. The penetrating analysis of the strengths and weaknesses of an institution required by a capital campaign should serve the institution in areas beyond its financial program. The involvement of the administration and the trustees in determining programs and projects and then in working in the campaign can have lastingly

beneficial effects. The capital campaign literally forces an institution to tell its story with maximum clarity and effectiveness, and to add substantilly to its list of close friends. And finally, to quote Mr. Duncan again, "The well conducted capital campaign produces more money faster and at less cost than any other method."